

Request for City Council Action

Date: July 29, 2003

To: Council Member Lisa Goodman, Community Development Committee

Refer to: MCDA Board of Commissioners

Prepared by Donna Wiemann, Senior Project Coordinator, Phone 612-673-5257

Presented by: Cynthia Lee, Manager, Multi-Family Housing Development, Phone 612-673-5266

Approved by Lee Sheehy, MCDA Executive Director
Chuck Lutz, MCDA Deputy Executive Director _____

Subject: Adoption of Resolution Approving Hennepin County's Transit Oriented Development (TOD) Program Funding for Hiawatha Commons

Previous Directives: On May 16, 2003, the City Council approved up to \$760,000 of Multi-Family Program/AHTF monies to Hiawatha Commons.

Ward: Ninth Ward

Neighborhood Group Notification: The Longfellow Community Council reviewed and expressed their support of the proposed project on June 18, 2003.

Consistency with *Building a City That Works*: Complies with Goal 2, Strategy A, to preserve and expand the number of affordable housing units throughout the City.

Comprehensive Plan Compliance: Complies.

Zoning Code Compliance: Project will comply.

Impact on MCDA Budget: (Check those that apply)

- ☒ No financial impact
- ☐ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

Living Wage / Business Subsidy: NA

Job Linkage: NA

Affirmative Action Compliance: Project will comply.

RECOMMENDATION:

City Council Recommendation: The Executive Director recommends that the City Council adopt the attached resolution approving Hennepin County's Transit-Oriented Development funding to Alliance Housing, Inc. for the Hiawatha Commons Project.

MCDA Board Recommendation: The Executive Director recommends that the MCDA Board adopt the attached resolution approving Hennepin County's Transit-Oriented Development funding to Alliance Housing, Inc. for the Hiawatha Commons Project.

Background/Supporting Information

Alliance Housing, Inc. proposes to develop 80 units of rental housing over a floor of commercial space at the northwest corner of the Minnehaha Mall (E. Lake Street and Hiawatha Avenue). The project address is 2301 East 26th Street and currently is an underutilized parking lot.

The housing mix will be 40 efficiencies, 24 one bedrooms, and 16 two bedrooms. Sixty units will be affordable and 20 will be market rate. Alliance Housing, Inc. has applied for 20 project-based Section 8 units. There will be 13,000 sq. ft. of ground floor commercial space, 40 underground parking stalls, and 42 surface parking spaces.

The project represents one of the first workforce housing projects in Minneapolis and Hennepin County. In 2000, the City County Task Force on Homelessness called for the development of 925 workforce units, half in Minneapolis and half in the rest of the county. Hiawatha Commons provides 60 such units, in an area with plenty of entry level jobs and on transit lines, particularly the light rail line, that can connect workers quickly to jobs in downtown Minneapolis, the Veterans Medical Center, the Twin Cities International Airport, and the Mall of America.

On May 6, 2003, the City Council approved up to \$760,000 of Multi-Family Program/AHTF monies for the development of this project and \$30,000 of Non-Profit Admin Assistance to Alliance Housing, Inc..

Alliance Housing, Inc. has sought \$338,329 of Transit-Oriented Development funds from Hennepin County to purchase the Hiawatha Commons property. The site size is 77,000 sq. ft. and the current property owner is Minnehaha Center. The Hennepin County HRA's authorizing legislation requires both the City and the MCDA to provide formal approval of the County's participation in this project.

07-29-03DW RPT ADOP RES HC TOD HIAWATHA COMMONS/Housing
Dev/MF/Wiemann folder

**Approving Hennepin County financing to Alliance Housing, Inc.,
for the Hiawatha Commons housing project.**

Whereas, the Hennepin County Housing and Redevelopment Authority proposes to provide financial assistance from Hennepin County's 2003 Capital Improvement Bond Allocation for Transit-Oriented Development Projects in Hennepin County in an amount up to \$338,329 to Alliance Housing, Inc., a Minnesota nonprofit corporation (the "Borrower"), for the acquisition and new construction of a housing project to be located at 2301 East 26th Street in Minneapolis, Minnesota (the "Project"); and

Whereas, Minnesota Statutes, Section 383B.77, Subd 3, requires that this City Council must approve a project undertaken by the Hennepin County Housing and Redevelopment Authority before such a project may be undertaken within this City; and

Whereas, the Project is subject to the approval of this City Council; and

Whereas, it is deemed in the best interest of this community to approve the Hennepin County Housing and Redevelopment Authority's implementation of the Project as an approved project;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That pursuant to Minnesota Statutes, Section 383B.77, subd. 3, the City Council approves the Project and approves of the Project assistance to be provided by the Hennepin County Housing and Redevelopment Authority to facilitate the acquisition and new construction of a housing project by Borrower, subject to the following requirements:

(a) That this City retains its jurisdiction over all issues of local concern relating to zoning, land usage, building code requirements and compliance with all applicable city codes and ordinances.

(b) That repayment of the financing obligations owed the Hennepin County Housing and Redevelopment Authority by the Borrower will be made solely from revenues derived from the project.

(c) That the full faith and credit of this City will not be pledged in any fashion as a source of repayment of said financing obligation owed the Hennepin County Housing and Redevelopment Authority by the Borrower.